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STATE FOR EUR/RUS  
STATE PASS TO OPIC

E.O. 12958: N/A  
TAGS: ECON EFIN OPIC RS  
SUBJECT: OPIC FINANCE: SDM BANK

REF: A. STATE 138794  
1B. ADDENDUM TO 4/14/06 MOSCOW ECONOMIC WEEKLY

Embassy has no objection to the proposed OPIC loan guarantee for SDM Bank to provide loans to small and medium enterprises outlined in Reftel A. Moreover, Consolidated Consular Database checks reveal no adverse information about the bank's CEO and major shareholders. Reftel B, Embassy's 2005 banking sector report, notes that in recent years, bank assets have shifted more heavily to loans of various types. Consumer lending has grown most rapidly, but significant potential remains for developing lending to small and medium enterprises. Embassy will provide a copy of this report and additional information on Russia's banking sector and Firebird Management's activities in Russia to Senior Investment/Finance Officer Richard Greenberg.

BURNS